

## Bad hire cost

Even though following cost overview is very rough, it can give you a basic idea about average cost of hire (counting with average IT sector salary in the Czech Republic in 2020) and average estimates of promotion and tooling budget based on Czech recruitment market).

	HIRING	1 <sup>ST</sup> MONTH	2 <sup>ND</sup> MONTH	3 <sup>RD</sup> MONTH
PROMO/TOOLS	16k			
ONBOARDING		28k	28k	28k
INTERVIEWS	21k			
RECRUITER	51k			
REFERRAL BONUS		29k		
NEW HIRE COST		100k	100k	100k

= 501k CZK / 22,1k USD per hire

Table break-down:

- Direct hiring costs – the time of the recruiter, the hiring manager, and the interviewers.
- Direct costs of advertising
- Payout of a referral or agency bonus
- Costs associated with preboarding and onboarding such as HR administration, IT configuration and preparation of equipment, and putting together the workplace

As for the new employee's salary - the average salary in IT sector is around 65k CZK. When we add social and health insurance and some operational expenses to the base salary, the average monthly personnel cost is almost 100k.

Read more on cost of bad hire on [HireHive blog](#), [Breezy HR blog](#) or [Northwestern University](#).